

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

200 W. Washington, Suite 301
Indianapolis, IN 46204
(317) 233-0696
<http://www.in.gov/legislative>

FISCAL IMPACT STATEMENT

LS 6273

BILL NUMBER: HB 1063

NOTE PREPARED: Jan 19, 2006

BILL AMENDED:

SUBJECT: Registering Interior Designers.

FIRST AUTHOR: Rep. Hinkle

FIRST SPONSOR:

BILL STATUS: CR Adopted - 1st House

FUNDS AFFECTED: X GENERAL
X DEDICATED
FEDERAL

IMPACT: State

Summary of Legislation: This bill requires the Secretary of State to register interior designers and establishes the requirements for registration and fees. It requires the Secretary of State to deposit the fees into the Electronic and Enhanced Access Fund.

The bill provides that a person: (1) may not use the title "registered interior designer" or any title designation sign, card, or device indicating the person is a registered interior designer unless the person has a certificate of registration; and (2) is ineligible for registration if the person has a civil judgment for negligence, recklessness, willful misconduct, or another breach of a standard of care in the practice of interior design entered against the person.

Effective Date: July 1, 2006.

Explanation of State Expenditures: This bill requires the Secretary of State to provide for the registration of interior designers. Because the Secretary of State does not currently provide registration for other trades, the fiscal impact of this provision is based on both start-up and administration costs. Start-up costs may be greater than the annual operating costs once it is established.

The Secretary of State would be responsible for overseeing the registration process, collecting fees and preparing relevant forms. Common operating costs associated with the process include: printing, postage, supplies, telephone charges, and personnel. The fiscal impact is dependent on the number of applicants. According to the Professional Licensing Agency, their cost associated with license and renewal forms is approximately \$190 per one thousand forms; postage costs \$0.25 per license and \$0.34 per renewal.

Staff Costs: Additional staff may be required to administer the registration process. If an additional position is needed to implement and maintain the registry, an administrative assistant position would cost \$42,400 in FY 2007 and \$42,150 in FY 2008. A data processing operator would cost roughly \$39,400 in FY 2007 and \$39,000 in FY 2008. The funds and resources required here could be supplied through a variety of sources, including the following: (1) existing staff and resources not currently being used to capacity; (2) existing staff and resources currently being used in another program; (3) authorized, but vacant, staff positions, including those positions that would need to be reclassified; (4) funds that, otherwise, would be reverted; or (5) new appropriations. Ultimately, the source of funds and resources required to satisfy the requirements of this bill will depend upon legislative and administrative actions.

Computer Costs: Although it is unknown how many interior designers might apply for registration in Indiana, it is presumed the electronic registry requirements could be fulfilled by using Microsoft Office products readily available on most state-issued computer systems. The Secretary of State may require \$1,000 to \$1,500 initially for an additional computer.

Explanation of State Revenues: The bill establishes fees for the registration of interior designers. An initial registration fee and the biennial renewal fee are both \$100. The fee for restoring a registration is \$300. All revenue generated by the fees is to be deposited in the Electronic and Enhanced Access Fund. Money in this fund is used by the Secretary of State to improve and enhance its technological service to its customers. It is continuously appropriated and may be used to implement the registration process. The amount of revenue that will be generated by this proposal is indeterminable, but will depend on the number of interior designers who seek certification.

Penalty Provision - A person who: claims another's certification, seal, or design as their own; intentionally gives false information to the Secretary; impersonates another certified designer; or uses an expired, suspended, or revoked registration commits a Class B misdemeanor.

If additional court cases occur and fines are collected, revenue to both the Common School Fund and the state General Fund would increase. The maximum fine for a Class B misdemeanor is \$1,000. Criminal fines are deposited in the Common School Fund. If the case is filed in a circuit, superior, or county court, 70% of the \$120 court fee that is assessed and collected when a guilty verdict is entered would be deposited in the state General Fund. If the case is filed in a city or town court, 55% of the fee would be deposited in the state General Fund.

Explanation of Local Expenditures: *Penalty Provision* - A Class B misdemeanor is punishable by up to 180 days in jail. The average daily cost to incarcerate a prisoner in a county jail is approximately \$44.

Explanation of Local Revenues: *Penalty Provision* - If additional court actions occur and a guilty verdict is entered, local governments would receive revenue from the following sources: (1) The county general fund would receive 27% of the \$120 court fee that is assessed in a court of record. Cities and towns maintaining a law enforcement agency that prosecutes at least 50% of its ordinance violations in a court of record may receive 3% of court fees. If the case is filed in a city or town court, 20% of the court fee would be deposited in the county general fund and 25% would be deposited in the city or town general fund. (2) A \$3 fee would be assessed and, if collected, would be deposited into the county law enforcement continuing education fund. (3) A \$2 jury fee is assessed and, if collected, would be deposited into the county user fee fund to supplement the compensation of jury members.

State Agencies Affected: Secretary of State.

Local Agencies Affected: Trial courts, local law enforcement agencies.

Information Sources: IC 4-5-10-5; Professional Licensing Agency.

Fiscal Analyst: Valerie Ruda, 317-232-9867.